

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION**

#### **COMMITTEE ON BUSINESS AND LABOR**

**Call to Order:** By **CHAIRMAN JOE MCKENNEY**, on April 11, 2003 at 10:30 A.M., in Room 172 Capitol.

#### **ROLL CALL**

**Members Present:**

Rep. Joe McKenney, Chairman (R)  
Rep. Jim Keane, Vice Chairman (D)  
Rep. Donald Steinbeisser, Vice Chairman (R)  
Rep. Bob Bergren (D)  
Rep. Rod Bitney (R)  
Rep. Sylvia Bookout-Reinicke (R)  
Rep. Nancy Fritz (D)  
Rep. Dave Gallik (D)  
Rep. Kathleen Galvin-Halcro (D)  
Rep. Ray Hawk (R)  
Rep. Bob Lawson (R)  
Rep. Rick Maedje (R)  
Rep. Gary Matthews (D)  
Rep. Scott Mendenhall (R)  
Rep. Penny Morgan (R)  
Rep. Allen Rome (R)  
Rep. Sandy Weiss (D)  
Rep. Bill Wilson (D)

**Members Excused:** None.

**Members Absent:** None.

**Staff Present:** Bart Campbell, Legislative Branch  
Alberta Strachan, Committee Secretary

**Please Note.** These are summary minutes. Testimony and discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing & Date Posted: HJR 44 (4/8/03)  
Executive Action: SB 464 Be Concurred In; HJR 44 Do  
Pass

**HEARING ON HJR 44**

**Sponsor:** REP. NANCY RICE FRITZ, HD 69, Billings

**Opening Statement by Sponsor:**

REP. FRITZ said this Resolution is requesting the Legislative Council to designate an appropriate interim committee or to direct sufficient staff resources to study the feasibility of a statewide public school risk pool and health benefit plan.

***{Tape: 1; Side: A; Approx. Time Counter: 13 - 19}***

**Proponents:**

REP. CAROL GIBSON, HD 20, Billings, said there were a number of community meetings in Billings and they discussed forums for education. The concept was to establish a statewide teachers insurance pool. They would be able to recruit teachers and keep teachers in both the large communities and small communities if there was a statewide reliable health plan.

***{Tape: 1; Side: A; Approx. Time Counter: 19 - 42}***

REP. PAT WAGMAN, HD 26, Billings, said a feasibility study should be done to determine if legislation should be considered next session.

***{Tape: 1; Side: A; Approx. Time Counter: 42 - 56}***

Jane McCall, Deaconess Billings Clinic, read testimony from John Jones, Executive Director, Managed Care, Deaconess Billings Clinic.

**EXHIBIT** (buh78a01)

***{Tape: 1; Side: A; Approx. Time Counter: 56 - 72}***

**Opponents:** None

**Informational Testimony:** None

**Questions from Committee Members and Responses:**

REP. LAWSON asked George Edstell, what the cost would be for the study. Mr. Edstell said the cost would be about \$10,000.

REP. LAWSON asked Tom Clinch the same question. Mr. Clinch said this would likely cost much more than \$10,000 if the study was really in depth. It would likely cost anywhere from \$50,000 to \$100,000.

***{Tape: 1; Side: A; Approx. Time Counter: 77 - 114}***

**REP. BOOKOUT-REINICKE** asked Mr. Clinch if a study from another state could be used. **Mr. Clinch** said he was not sure if there was an existing study that will answer the specific questions that are approached in this resolution. Every state is different. Every study is different. The demographics of school districts in Montana are different as are the benefit plans. You could not possibly use a study from another state.

*{Tape: 1; Side: A; Approx. Time Counter: 114 - 129}*

**REP. GALVIN-HALCRO** asked Mr. Clinch if a previous study included districts that are now covered. **Mr. Clinch** said it did not include those districts in this study.

*{Tape: 1; Side: A; Approx. Time Counter: 129 - 205}*

**REP. KEANE** asked Eric Burke if the Montana Education Association had taken a position on this resolution. **Mr. Burke** said they had not taken a position on this resolution. He also stated he thought they had completed a study that is comparable to this bill. Much of the information that they have was brought forward and has been discussed but there is a benefit in studying it further. There are benefits but they do not think there will be a lot accomplished in this study.

*{Tape: 1; Side: A; Approx. Time Counter: 205 - 215}*

**REP. GALLIK** asked **REP. FRITZ** to list the unresolved issues and unanswered questions. **REP. FRITZ** said she did not know the answer to the question.

*{Tape: 1; Side: A; Approx. Time Counter: 215 - 317}*

**Closing by Sponsor:**

The Sponsor closed.

*{Tape: 1; Side: A; Approx. Time Counter: 317 - 380}*

**EXECUTIVE ACTION ON SB 464**

**Motion:** **REP. GALVIN-HALCRO** moved that SB 464 BE CONCURRED IN.

**Discussion:**

**REP. MORGAN** said there were too many problems with this bill and she opposes it.

**REP. GALVIN-HALCRO** asked Mr. Campbell if this bill would increase the fees. **Mr. Campbell** said the study would only use the money they had already accrued. **REP. GALVIN-HALCRO** said she would support the bill.

**REP. MENDENHALL** asked if amendments could be added to the bill. **Mr. Campbell** said the Committee was past the time limit to add amendments. **REP. MENDENHALL** then stated he would support the bill.

**REP. BOOKOUT-REINICKE** said she supports the bill.

**CHAIRMAN MCKENNEY** and **REP. KEANE** said they support the bill.

**Vote:** A roll call vote was taken. Motion carried 14-4 with **REPS. BOOKOUT-REINICKE, HAWK, MAEDJE** and **MORGAN** voting no.

**REP. BRUEGGEMAN** will carry this bill on the House Floor.

#### **EXECUTIVE ACTION ON HJR 44**

**Motion:** **REP. FRITZ** moved that HJR 44 DO PASS.

#### **Discussion:**

**REP. HAWK** asked who would pay the actuarial firm proposed to do the study. **Mr. Campbell** said the funds would be budgeted for an interim study. A Request for Proposal would be sent out to request bids.

**REP. KEANE** said he opposes this bill and the reason is that the Legislature should not be studying the problem. He stated MEA/MFT and the School Board Association should study this issue. There are custodians, contractors and other school personnel who would also be interested in this study. The cost is to the State and it would never make the cut.

**REP. STEINBEISSER** asked **REP. FRITZ** if the State could look at a multi-state insurance pool. **REP. FRITZ** said she thought the State should look at the plans from other states. Montana is too large for a single plan. Just working in Montana might be hard enough to deal with.

**REP. MENDENHALL** asked **REP. FRITZ** if this study would be as comprehensive as they would like. **REP. FRITZ** said they did think it would be comprehensive enough. They are interested in a more comprehensive study of all the districts who are insured or uninsured in the State.

**REP. GALVIN-HALCRO** asked **CHAIRMAN MCKENNEY** about HJR 22 and the outcome of that Committee. **CHAIRMAN MCKENNEY** said HJR 22 subcommittee was a study resolution much like this bill. The

bill made it through the legislative process and was placed on the list of items that the interim would study. That study was assigned to the Economic Affairs Interim Committee (EAIC). The chairman of that committee set up a subcommittee for the study resolution. The study committee was HJR 22.

**REP. WEISS** said she was opposed to the time and dollars involved in resolutions, \$1,800 to \$2,000 per resolution. Affordable insurance is a very important issue to many Montanans and not only just teachers. Perhaps a study of this issue for teachers and anybody involved with education, may develop ideas for other groups to also use. She indicated she would support this resolution.

**REP. LAWSON** said this is an issue best left to the education people that have the expertise and have already done a study in the last year.

**REP. FRITZ** said for the little districts there should be some kind of low-cost catastrophic plan. That might be the answer that several people have come up with.

**Vote:** A roll call vote was taken. Motion carried 12-6 with **REPS. McKENNEY, STEINBEISSER, KEANE, LAWSON, MAEDJE and ROME** voting no.

**ADJOURNMENT**

Adjournment: 11:45 A.M.

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REP. JOE MCKENNEY, Chairman

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ALBERTA STRACHAN, Secretary

JM/AS

**EXHIBIT** (buh78aad)